

**USAID/MACEDONIA**  
**ANNUAL REPORT FY 2002**

March 2002

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## FY2001 Performance Narrative

### 1. Introduction

The primary development challenge for Macedonia is to restore peace and stability so that efforts can be refocused on continuing democratic and economic reforms. In February 2001, an insurgency of ethnic Albanian extremists emerged in Western Macedonia and severely undermined past progress. At the request of the government, international facilitators brokered a cease-fire. With continuing facilitation by the United States and the European Union, the ruling ethnic Macedonian and Albanian political party leaders signed the Framework Agreement (FWA) in August. In November, the constitutional amendments required in the FWA were passed in Parliament. Macedonia is currently charged with implementing several more legal and civil reforms as agreed in the FWA, including decentralization of government. There is a sense of cautious optimism about the peace process. There is strong international pressure to maintain peace, particularly in light of Macedonia's desire to become a member of the WTO and the EU.

Macedonia's democratic institutions and practices are weak. Macedonian citizens have a low degree of confidence in their government. The outbreak of hostilities and the inability of leaders to quickly resolve conflict only serves to further undermine weak institutions. Macedonia's democratic process is further distorted by the use of political patronage systems by political parties to win elections. As a result, ordinary citizens, regardless of whether they are ethnic minorities or in the majority, feel alienated by the country's elite-dominated party system. Furthermore, civil society has not developed to the point where it can exert significant control over the actions of political players.

Until the crisis, Macedonia had one of the most promising transition economies in the region. In 2000, real GDP grew by 4.3% and it appeared that 2001 might surpass the prior year in generating investment and job creation. However the crisis has affected the economy in numerous ways. The GDP growth rates have dropped by 4.6%, with the private sector component falling by 6-7%. The unemployment rate is estimated at 32% of the workforce in comparison to an estimated 18% in Albania and 12% in Bulgaria. At the end of 2000, 22% of the population lived below the poverty line and this trend is increasing. Average incomes are estimated to be roughly 75% of what they were prior to independence. Furthermore, public sector employment accounts for 49% of total employment at a time when the country is moving towards increased privatization. Per capita foreign direct investment in the economy (with the exception of sales of public companies such as the Telecom) has been the lowest in the Central and Eastern Europe region. Several important foreign investments have been delayed due to the crisis.

Key U.S. national interests in Macedonia include stability, economic prosperity, and democratization. There is a need to address ethnic conflict, particularly because ethnic tension tends to cross national boundaries in the region. Macedonia may also be an important ground to combat terrorism. To the extent that this country is able to attain peace and stability, there is likely less opportunity for exploitation by terrorists or extremists.

The conflict has had a dramatic impact on USAID programs. In July, USAID/Macedonia submitted an amended strategic plan that presented a strategy, viewed through a "crisis management" lens. This represented the realization that to be effective, the mission's strategy had to address the root causes of conflict, including poor economic conditions, imbalances in opportunities available to different groups, doubts about the legitimacy of democratic institutions, weak civil society, and the absence of established and peaceful ways to resolve conflict.

Prior to the approval of the new strategy in early August, the expatriate staff in the Mission and most partner organizations was severely reduced in response to deteriorating security conditions. Most of those who departed were able to return in late October and November. Access to most of the country has been safely restored and only a few distant villages remain inaccessible. Nonetheless, it is important to note that local staff were able to keep programs moving forward.

Another challenge has been that the government's attention has been focused on the crisis, making it difficult to address issues related to the enabling environment and key reforms (laws, regulations, and policies at the central government level). To compound the situation, there were significant changes in key ministerial positions, which resulted in changed priorities.

To judge the success of our program, we have not only examined whether targets have been met, but also whether the program was able to respond effectively to these challenging circumstances. Many of the fundamental assumptions underlying the program, such as peace and stability, changed. However, despite this, the program is able to demonstrate important results. Most notably, USAID's two major on-going programs in economic growth and democracy were able to effectively readjust priorities and maximize synergies to respond to the crisis. The economic growth and the democracy and governance (DG) teams have worked together to emphasize community development throughout the country and particularly, in multi-ethnic communities to better address the root causes of conflict.

## **2. SO 1.3 Accelerated Development and Growth of the Private Sector**

**SO Rating: Met Targets**

### ***Key Challenges:***

**Broad Economic Trends:** The overall contraction of the economy will hinder efforts to reduce poverty and increase employment. The enterprise sector was affected by a lack of predictability and the loss of both markets and foreign partners. Although there is no exact figure, the Macedonian Chamber of Commerce estimates direct and indirect damages to the Macedonian economy for 2001 at about US\$600 million. The intermittent closing of the main north/south trade routes, continued tensions in some areas, and overall uncertainty have undermined foreign trade and business confidence. Foreign trade in the period January - August 2001 was 18.7% lower than in the same period of the previous year. Exports declined by 11.8%, while imports declined by 23%. As a result of the crisis, the GOM spent heavily on military operations and security measures while revenues declined due to depressed economic activity and increased tax evasion.

#### **Key Economic Challenges:**

Official unemployment is 32% of the total workforce; 22% of the population lives below the poverty line.

**Unemployment:** There is little public confidence in the current economic outlook, as the impact of the conflict is becoming more apparent. Typical household consumption was reduced and standards of living further deteriorated. Increasing numbers of workers do not receive their salaries regularly, and many have not received any salary for many months. The official 2001 unemployment rate is 32%; half of the unemployed are under 30 years. If this trend is not reversed, it could become a major destabilizing factor for the country. High unemployment increases gray market activity, already estimated to be as high as 45% of GDP.

**Investment:** Decreasing confidence in the domestic economy caused overall investment activity to fall. Foreign direct investment has virtually stopped and the major investment in 2001 (US\$325 million from privatization of the telephone company) occurred before the crisis hit. Several major trade deals fell through as a result of the conflict.

### ***Highlights of Achievements:***

**The USAID Response to the Crisis:** Progress in addressing the broader enabling environment (e.g. commercial laws and regulations) has not been as good as hoped, largely because the government's attentions have been focused on addressing the conflict. However, the mission has been successful in refocusing priorities to address the issues most directly related to conflict such as unemployment and identifying opportunities to work with ethnically mixed regions or counterpart associations. For example, the mission has allocated additional resources to the micro-finance project to open a new branch office in Tetovo and to assist the ethnically mixed agricultural associations in the region where fighting has taken place, to provide economic opportunities within this multiethnic community.

*IR 1.3.1 Bank and Non-Bank Financial Institutions Strengthened:*

USAID's assistance led to significant progress in the development of the Macedonian stock market. The introduction of the Macedonian Stock Exchange's (MSE) new electronic trading system substantially improved the exchange's operating capacity, market surveillance capabilities, and transparency. By enabling remote trading from broker offices, the system is also expected to increase broker efficiency and productivity. In 2001, the number of transactions have doubled compared to the previous year.

**The Moznosti Success Story:**

Moznosti, a micro-lending institution, is becoming a self-sustaining, commercially viable institution. As the only micro lending institution in Macedonia, this has attracted the interest of other international organizations.

As a result of the poor macroeconomic environment, many Macedonians turn to self-employment. The majority of family-run micro-enterprises generate employment for members of the immediate and extended family. However, micro-enterprises and or family run businesses have virtually no access to capital from traditional lending sources, such as commercial banks. Moznosti is a Macedonian NGO created by Opportunity International to make loans to small and micro-business. Moznosti has achieved significant achievements in moving from a donor-supported institution toward a self-sustaining commercially viable financial institution. It is the only significant micro-lending organization working in Macedonia and has attracted the interest of the Macedonian Government, as well as other international organizations. The organization's earned income covered 100.63% of operating expenses. Moznosti disbursed 2424 loans during 2001, totaling \$4.4 million, of which 40% were disbursed to women. These loans created 800 jobs and sustained 3100 jobs and helped businesses to survive in very difficult economic environment. Beneficiaries include rural farmers and the poor.

*IR 1.3.2 Private Sector Firms More Competitive:*

One of the most important achievements is that despite the conflict, the private sector continues to develop. The mission has shifted its focus away from working with individual private sector entities (i.e. working at the "retail" level) to target groups that will have broader impacts (or "wholesale"), such as associations.

**Expanding Local Markets:**

Local sales of meat and dairy products stamped with the Seal of Quality have increased by 41% in 2001; this reduces Macedonia's dependence on food imports.

The Macedonian Business Resource Center (MBRC) was created as a "one stop" resource center to improve private sector competitiveness. From January through November of 2001, the MBRC facilitated \$21 million in trade deals and \$7.1 million in investments. In addition, this center is transitioning toward sustainability. Another noteworthy result took place in the Macedonian Agribusiness Marketing Activity. The Association of Private Meat and Dairy Processors of Macedonia promotes the production of higher quality branded meat and dairy products. Previously, Macedonian consumers exhibited a preference for imported meat and dairy products because they were viewed as higher quality products. The promotion of the "Seal of Quality" has served to address this issue. Recent data indicate that products with the Seal of Quality have increased sales by an impressive 41% over the past year. Ultimately, this helps expand local markets and reduces Macedonia's dependence on food imports. The association became self-sustaining this year; they are now able to support their own office and operations and represent approximately 80% of meat and dairy processors in this country.

*IR 1.3.3 Enabling Environment for Investment Improved:* While addressing issues related to the enabling environment has been challenging this year, there are two successes worth highlighting. The GOM made significant progress in moving toward WTO membership in 2001. The 3<sup>rd</sup> working party meeting convened in December, where the government committed to a number of key and necessary reforms. Given progress in 2001, accession is anticipated to take place by the middle of next year. Secondly, the Ministry of Finance has been a particularly effective partner. With USAID assistance, a new Banking Law was passed that will bring Macedonia closer to EU standards and allow foreign banks to establish local branch offices.

*Justification of Assessment of SO Performance:* The overall decline in the Macedonian economy during 2001 has affected the USAID program's performance vis-à-vis targets in several areas, including private sector productivity and overall exports. But the achievements presented here clearly illustrate the significant results that this SO achieved in expanding private markets, enhancing agricultural development and providing access to economic development for the poor. Overall, this SO is judged to have met its targets.

*Beneficiaries:* Companies, entrepreneurs, business and professional associations, commercial banks, the central bank, government institutions, and local communities.

### **3. SO 2.0 More Legitimate Democratic Institutions** **SO Rating: Met Targets**

#### **Key Challenges:**

*The Conflict:* Ethnic Albanians comprise approximately 23% of the population and generally believe they are discriminated against, despite the international community's opinion that Macedonia presents a model for a multi-ethnic country. Ethnic Albanian extremists began attacking police stations and other symbols of the Macedonian state in predominantly ethnic Albanian areas of the country, with the stated goal of winning greater civil rights for Albanians. The Framework Agreement (FWA) establishes conditions for the preservation of a unitary, multi-ethnic state while enhancing minority rights. Macedonia has passed the required amendments to the constitution and the Law on Local Government to better protect all citizens' civil rights, however, the government is charged with implementing several more legal and civil reforms as a part of the FWA. Ethnic Macedonians remain concerned that the country will be divided, and there is a continuing sentiment among this group that the peace agreement was reached as a result of external international pressure. Elections are expected to take place by October of 2002.

#### **Key Challenges:**

- Conflict
- Weak and Politicized Institutions
- Weak Civil Society
- Lack of Public Trust

Several challenges arose out of the conflict and efforts to reach a peace agreement over the last year. First, while the FWA was under discussion by political parties and elites behind closed doors, its contents and the implications of the agreement were generally not understood by the average citizen. Second, the attention of government officials as well as citizens was focused on the conflict. As a result, any activities based on working with the central government were slowed or postponed. In terms of working with NGO groups, there has been some reluctance or even fear of participating in activities that required travel to or through the Western part of the country. Third, while the FWA makes decentralization a priority, authority and capacity at the local government level must be increased and improved. Furthermore, while the passing of the constitutional amendments, as required by the FWA is an important step, implementation will be an equally important challenge.

*Weak and Politicized Institutions:* In Macedonia, democratic institutions lack transparency and are not mature enough to prevent abuses of power. Politics is dominated by a highly centralized and politicized executive branch controlled by the parties in power. The system is more focused on party loyalty and party interests than on the responsiveness and effectiveness of the government for its citizens. As a result, there is corruption as well as a general lack of democratic legitimacy and effectiveness in governance.

*Weak Civil Society:* Civil society is not developed to the point where it can exert significant control over the political process. Furthermore, there is a lack of information within civil society about political processes.

*Lack of Trust:* Related to the problem of weak institutions is a general lack of trust in political systems on the part of the public. Once in power, the party distributes key resources, such as public sector jobs, to party loyalists. A USAID survey conducted in 2001 showed that 70% of the population sees the government institutions as very ineffective, mostly due to their inadequate response to the deteriorating

security and political situation in the country. In addition, the recent crisis has continued to erode an already thin layer of trust between ethnic Macedonians and the minority ethnic Albanians.

### **Highlights of Achievements:**

*The USAID Response to the Crisis:* Legal and policy changes at the central government level have been slowed, with the exception of the law on local government. Given this reality, priorities have been shifted to other areas where greater opportunities for success exist. As a result, the program has increased its emphasis and funding on local government and community based initiatives to assist in easing ethnic and social tensions. In particular, the democracy team has worked in tandem with the economic growth team to address basic community needs in an effort to alleviate significant pressure points for conflict, such as employment and other quality of life issues. Projects within the democracy and governance (DG) program have also worked together to maximize synergies and align priorities.

*IR 2.1 Increased Citizen Participation in Political and Social Decision Making:* Progress in the areas of citizen participation, NGO development, and media has exceeded expectations this year. The key issue consistently raised by citizens is that they are not informed of the political issues that most affect them. As a result, the DG team emphasized the need to publicize the contents of the FWA to increase the flow of information to the public and facilitate public debate.

#### **Building Synergy for Greater Impact:**

The Community Self Help Initiative (CSHI), in cooperation with other USAID activities, fostered economic development and improved the quality of life for over 200,000 direct beneficiaries or 10% of the population, during a critical period.

A national media campaign was developed by a multi-ethnic team that included television, print media, and the development of a web site. A recent evaluation showed that public reaction to the campaign has been generally positive. The NGO community was also active in organizing presentations and debates to help the public to better understand the FWA and the implications of the agreement for the average citizen. This has allowed communities to engage in the political process and build support around the peace process.

Several activities have focused on bringing citizens of different ethnic groups together to work on common community oriented objectives. Most notably, the partnership between the economic growth and democracy teams has resulted in joint activities to increase incomes and rebuild infrastructure (such as schools and water supply systems). On a broader level, the program has been successful in energizing communities to identify their own problems and priorities and in creating partnerships to find practical solutions. Combined activities have affected over 200,000 beneficiaries directly, or 10% of the population.

In media, a particularly restrictive and dangerous law on public information was withdrawn due to lobbying by media associations. Subsequently, a working group was formed, including media representatives to establish the principles of a proper law on public information. The recently revitalized Association of Journalists of Macedonia introduced a new Code of Ethics, which is more consistent with international standards. This association was also particularly effective in reaching out to all of its members across ethnic lines during the crisis to promote responsible journalism and increase the ability of their members to cover the crisis. For example, safety training was held for approximately 100 local media professionals and the Association of Journalists administered the loaning out of equipment, such as flak jackets and helmets. USAID provided emergency support to replace a damaged transmitter, knocked out during the fighting, allowing local media to get back on the air. This support facilitated media coverage of the conflict in order to provide citizens with the information they needed at a critical time.

*IR 2.3 More Effective, Responsive and Accountable Local Government:* The FWA agreement has made decentralization a priority for the government. This provides an important opportunity for USAID to assist the GOM in meeting local government objectives. The recent passage of a law on local government is expected to be an important first step in increasing and clarifying authorities at the local level. It is also important to note that the process to pass the law on local government was more transparent than in the past.

The role of the Municipal Association (ZELS), which represents mayors and city council presidents, is moving from having been a parastatal organization to a much more active and effective association. This association has played an important role in organizing public debate

**Strengthening the role of the association:**

ZELS implemented a “grass roots” policy dialogue strategy for decentralization including 12 regional public hearings

and opening up dialog within communities to discuss the law on local self government. In particular, the association was active in organizing meetings with mayors and experts involved with the FWA to explain the FWA and the implications for local government roles and responsibilities. During the crisis, the Municipal Association was particularly successful in reaching across party and ethnic lines.

Citizen Information Centers (CICs) are designed to provide services to local citizens and bridge together local government and the NGO resources. CICs were established in seven municipalities (two of which in the crisis regions), while four others are currently underway. They also provide guidance to citizens in solving problems and addressing complaints, in an effort to increase accountability and responsiveness of local government to citizens.

Local government leaders and press representatives received training on media relations in order to improve the flow of information to citizens and increase transparency. These activities came at a crucial time, allowing local leaders to effectively communicate with their citizens and ease tensions. Effective local leadership may explain, in part, why the political crisis did not spiral out of control as it has in other parts of the Balkans.

*IR 2.2 Adherence to Rule of Law Enhanced and IR 2.4 Increased Confidence in Government Institutions and Political Processes:* Clearly the conflict served to undermine the rule of law and general confidence in government institutions. However, the rule of law program will expand and new project designs are in progress so that the mission is prepared to move forward over the next year. In 2001, the Macedonian Bar Association (MBA) and the Center for Continuing Education (CCE) continued to hold workshops and training sessions for legal professionals. The CCE and Macedonian Judges Association (MJA) Board of directors have adopted a strategic plan as a result of two USAID funded workshops. Under IR 2.4, support was provided to the country's elected leadership to better communicate with the public and improve transparency.

*Justification of Assessment of SO Performance:* To judge the success of whole program, the team has not only examined whether targets have been met, but also whether the program was able to respond effectively to these challenging circumstances. Many of the critical assumptions underlying the program, such as peace and stability, changed. As a result, most of this SO's formal targets, with the exception of indicators tracking citizen participation and local governance, were not met. However, despite this, the program is able to demonstrate important results in promoting politically active civil society and encouraging transparent and accountable local government institutions. In summary, then, the SO is assessed as having met targets.

*Beneficiaries:* Non-governmental organizations, media organizations, trade unions, political parties, members of parliament, teachers, students, and parents, courts, legal professionals, election officials, communities, and municipalities (17 out of 123).

**3. SO 3.4 Mitigation of Adverse Social Impacts of the Transition to Market-Based Democracy**  
**SO Rating:** New SO.

SO 3.4 was recently approved as a new strategic objective in July 2001. For this reporting period, highlights of key on-going activities (that had been organized under other SOs) are reported in this section as the mission moves toward the new strategic framework. Design work will begin shortly in the education and workforce sector to expand efforts under this SO.

**Key Challenges:**



This SO is intended to address the negative impacts of the transition at the household level, particularly among vulnerable groups. Conflict management models suggest that deteriorating conditions, combined with a sense that the price of democracy has been high, contributes to further conflict. Key challenges under this SO are increasing poverty and unemployment. Unemployment is one of the primary concerns among Macedonian citizens, contributing to the current feeling of inequality. Education is a key determinant of unemployment. Males with no better than primary school education have an unemployment rate of 38% while those with secondary or technical secondary school degrees stand at 31.5% and men with university level education or higher have a 14% rate of unemployment. An inflexible labor market exacerbates the problem. Workers lack the skills needed to find gainful employment in the private sector so they cling to redundant, unproductive public sector jobs. Labor unions, as the largest NGO in the country, lack the skills to bargain collectively, making it difficult to execute policy reforms. Another challenge is that the education system is both weak and highly politicized. Each new minister changes the education strategy and staff from the ministry level to school principals and teachers throughout the country. This results in changed priorities and a loss of momentum in the program. Furthermore, Macedonian institutions lack the capacity and human resources to deal with the serious effects of unemployment and the lack of job creation.

### **Highlights of Achievements:**

**Education:** The mission has seen remarkable success with its assistance to the South East Europe University (SEE) in Tetovo. As a result, SEE is the first private accredited university and the only university offering a degrees in Business and Public Administration in Macedonia. The students, press and international community have been impressed by the high quality of the faculty, curriculum, and facilities. Moreover, the establishment of the university helps address a key issue of ethnic Albanians: it has a multi-ethnic student body and classes are taught in Albanian as well as Macedonian and English.

**Workforce:** The Labor Redeployment Program, managed by the U.S. Department of Labor, is designed to reduce unemployment, upgrade worker skills, and reduce unemployment costs (through a reduction in the payment of benefits). This activity emphasizes community participation and coordinates with other projects, such as the Community Self Help Initiative (CSHI) and the Local Government Reform Project (LGRP) to maximize impacts. In 2001, approximately 800 community partners participated in local economic development initiatives. During this period, a total of 3007 jobs were created (directly and indirectly) under the various components of the project.

#### **Job Creation:**

A total of 3007 direct and indirect jobs have been created due to the Labor Redeployment Program.

**Beneficiaries:** Unemployed workers, vulnerable populations, and students.

## **4. SO 4.2 Cross-Cutting Programs**

**SO Rating: Met Targets**

### **Key Challenges:**

This SO includes the participant training program, which supports the mission's other SOs in economic growth, democracy and governance, and social transitions. The greatest challenge for 2001 were logistical, in terms of arranging training during the crisis period.

### **Highlights of Achievements:**

In 2001, 201 Macedonians were trained, of which 50% were women, in 28 short-term, in-country, US and third country training programs. The program exceeded expectations in terms of promoting women's participation.

#### **Gender Gains:**

- Female training participants totaled 50%.
- Domestic violence training was held, resulting in the establishment of SOS lines for abused women in Struga.

In the economic sphere, participant training was largely focused on strengthening management and financial analysis skills to increase financial capacity and greater transparency. Training in Certified Financial Accounting (CFA) stimulated an increased demand for the Charter of Financial Analysts exam that will now be held locally in Skopje. In April 2001, several participants were involved in negotiating the Macedonia Stabilization and Association Agreement with the European Union, becoming the first in the region to reach this crucial step in EU Accession. The conversion of the Macedonian Stock Exchange from floor to electronic trading was assisted by two members who attended training on the New York Stock Exchange (NYSE) last January. Over 80% of participants in the training program have stated in evaluation forms that the training has met their needs and expectations.

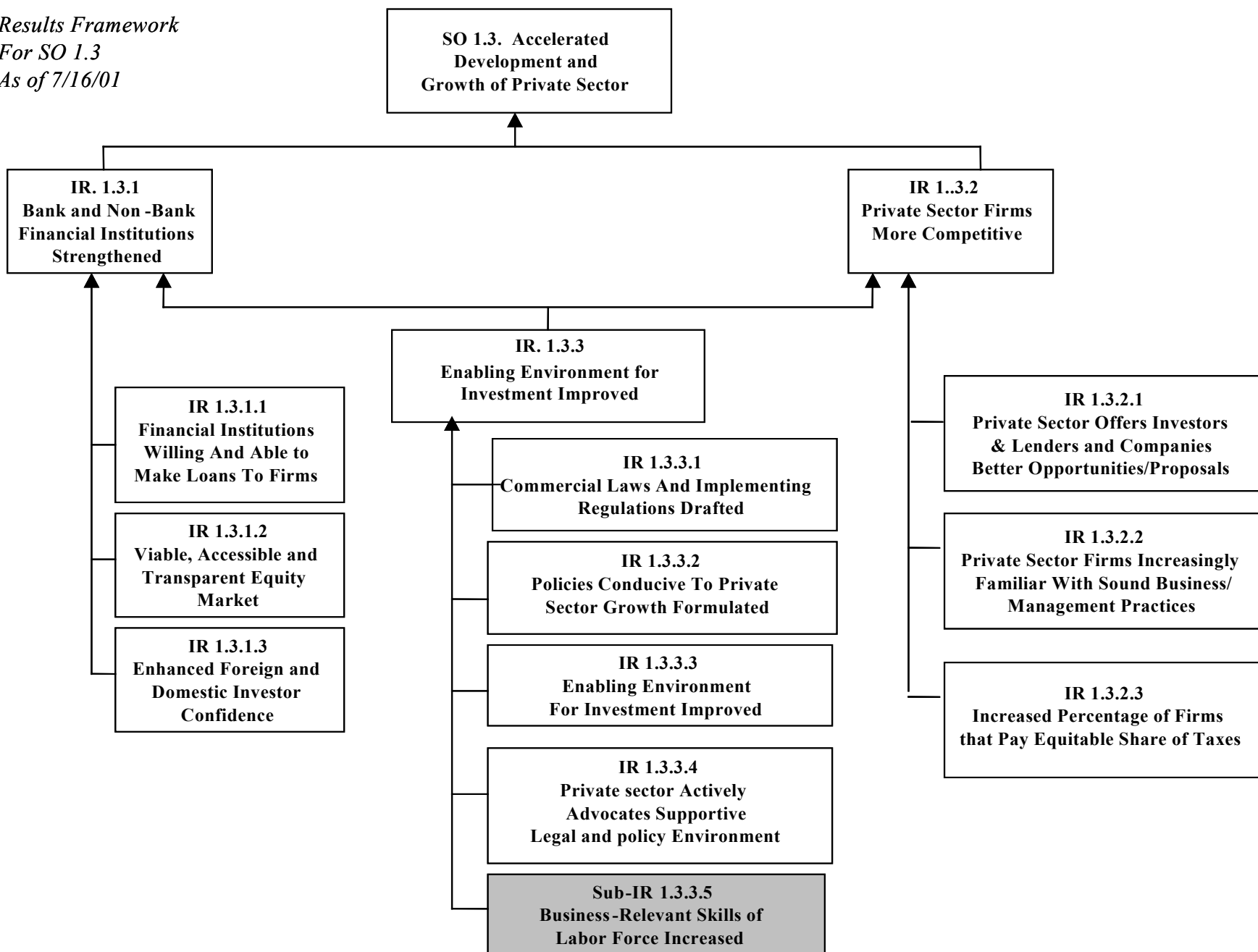
In the democracy sphere, there were several noteworthy accomplishments in terms of increasing information flow to citizens. The City of Skopje as well as the Ministry of Finance launched new web sites that provide information on governmental services. A program to train judges, local government representatives, court administrative employees and local NGO representatives in domestic violence, led to greater awareness of domestic violence and the opening of an SOS line for abused women in Struga.

*Justification of Assessment of SO Performance:* While some training targets were exceeded, logistical constraints associated with the conflict slowed some activities. On the whole, this SO is assessed as having met targets.

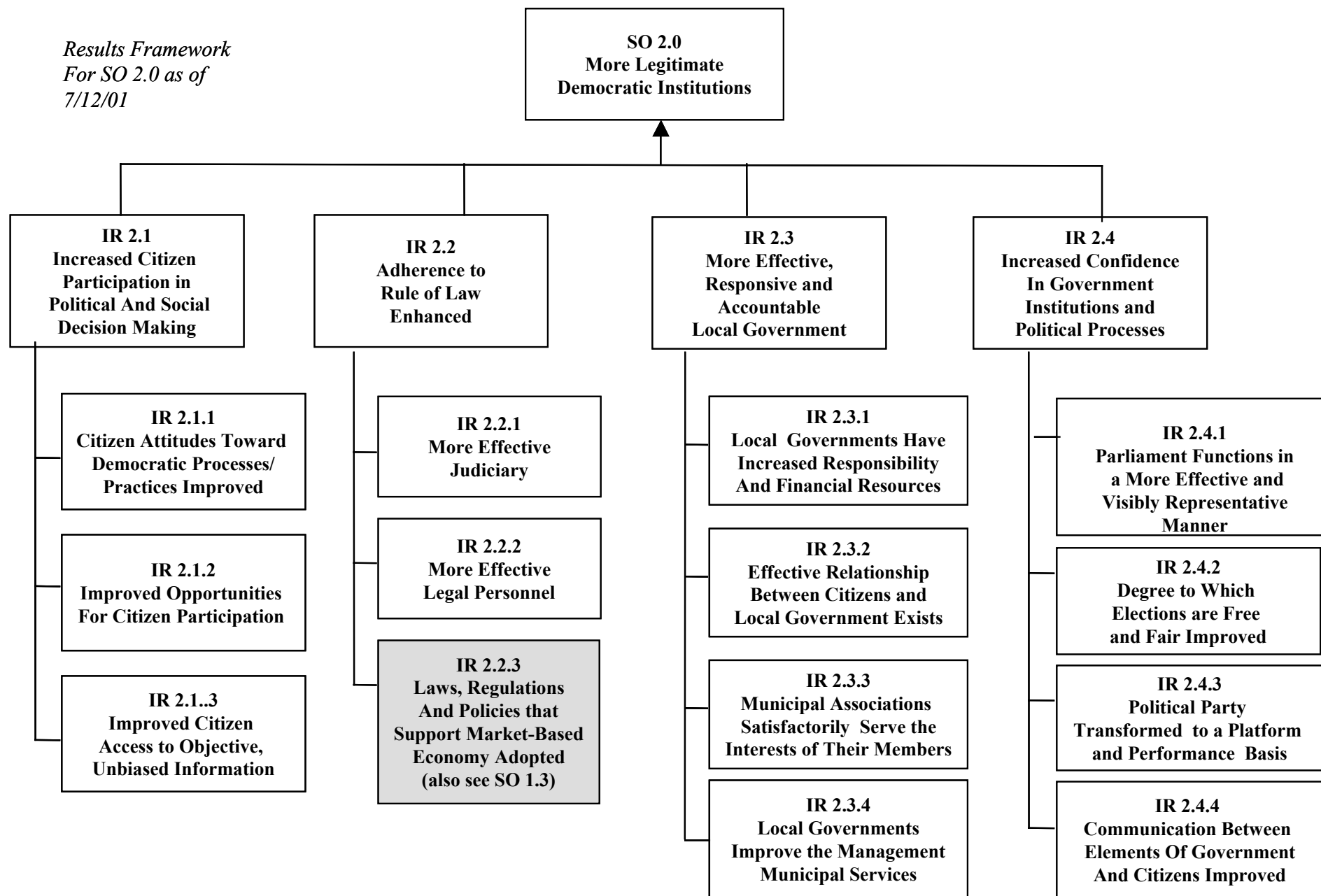
*Beneficiaries:* Macedonian leaders and decision-makers involved in the social and economic transition are key beneficiaries.

## Performance Data Tables and Results Frameworks

*Results Framework  
For SO 1.3  
As of 7/16/01*



*Results Framework  
For SO 2.0 as of  
7/12/01*



Results Framework  
For SO 3.4 as of  
6/25/01

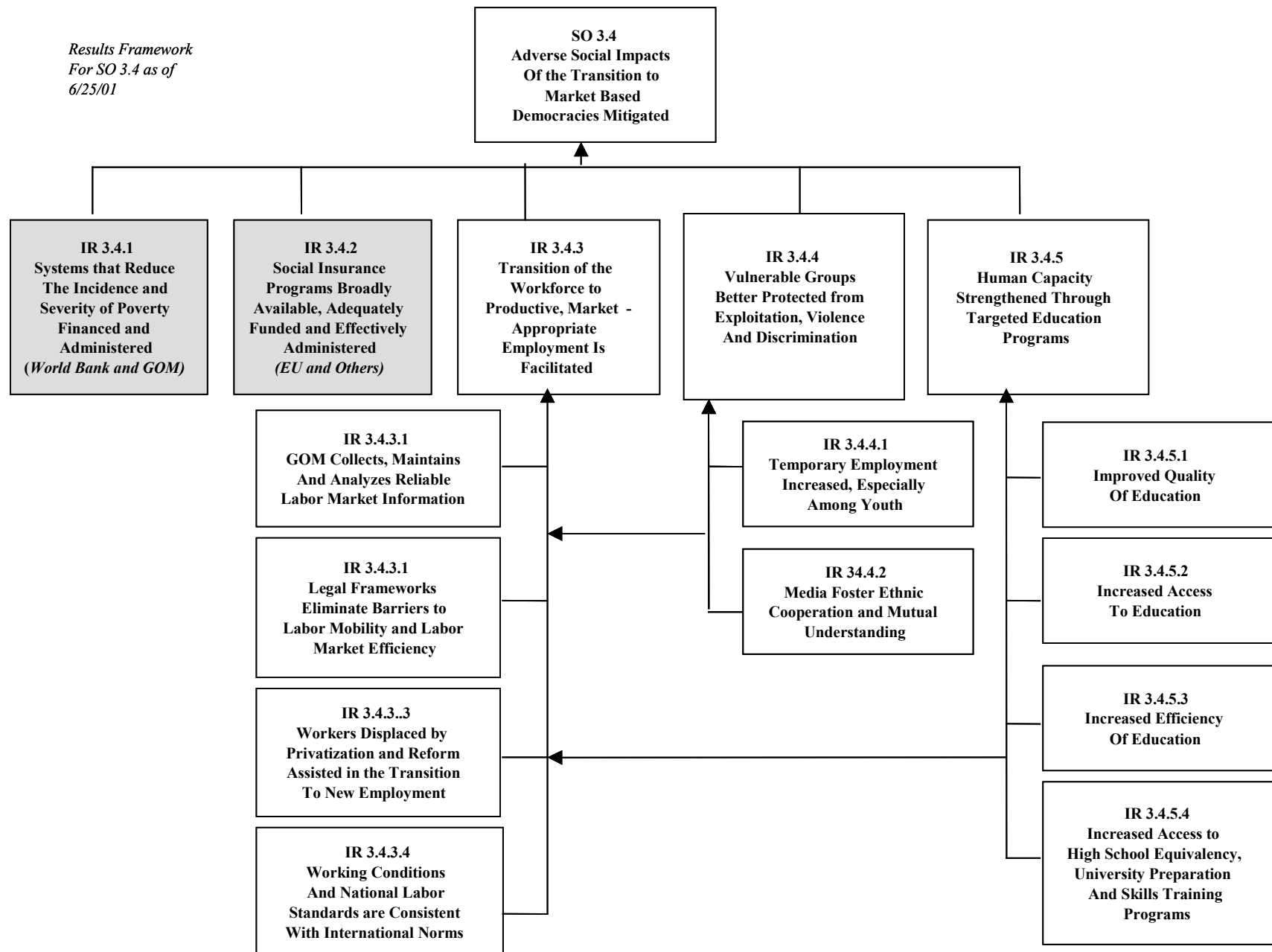


Table 1: Annual Report Selected Performance Measures

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Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental organizations in support of shared objectives						
1	Did your operating unit achieve a significant result working in alliance with the public sector or NGOs?	Yes	No X	N/A		
2	a. How many alliances did you implement in 2001? (list partners)	0				
	b. How many alliances do you plan to implement in FY 2002?	0				
3	What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	0				
Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.						
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met X	Not Met	165-013	
USAID Objective 1: Critical, private markets expanded and strengthened						
5	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	165-013	Several indicators tracking progress toward this objective utilize data available only on a January-December rather than October-September basis. This is especially true for data derived from the GoM, the Statistics Office and the National Bank. In addition, some data are estimates based on samples. These data limitations are noted in the SO 1.3 Performance Monitoring Plan.
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged						
6	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	165-013	Sales of products promoted through the Association of Private Meat and Dairy Processors of Macedonia's "Seal of Quality" program increased by 41% over 2000. This datum is provided by the Association and reviewed by USAID funded professionals assisting the Association.

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable						
7	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	165-013	USAID-supported expansion of available credit and short-term employment opportunities, even during the crisis of 2001, played a significant role in assisting the poor. Data are derived from activities' reports, spot-checked by USAID. These organizations feature established program performance monitoring functions to support USAID program management.
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded						
8	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
9	a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual) b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	Male	Female	Total		
USAID Objective 5: World's environment protected						
10	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
11	a. Hectares under Approved Management Plans (2001 actual) b. Hectares under Approved Management Plans (2002 target)					
Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.						
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met	Not Met		

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
USAID Objective 1: Reducing the number of unintended pregnancies						
13	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
USAID Objective 2: Reducing infant and child mortality						
14	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth						
15	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries						
16	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
USAID Objective 5: Reducing the threat of infectious diseases of major public health importance						
17	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
Pillar IV: Democracy, Conflict and Humanitarian Assistance						
18	If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met X	Not Met	165-021 165-023	
USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened						
19	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	165-021	USAID's Survey of Citizen Attitudes, performed in December 2001, shows marked declines in respect for rule of law and public institutions. The survey is performed according to international survey standards and the interviewed sample is representative of the population in Macedonia. The margin of error for this stratified probability survey is plus or minus 3 percent.



Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
USAID Objective 2: Credible and competitive political processes encouraged						
20	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A	165-021	Data are derived from implementing partners and USAID's Survey of Citizen Attitudes. The Survey was designed and implemented in conformance to generally recognized social science standards. The margin of error for this stratified probability survey is plus or minus 3 percent.
USAID Objective 3: The development of politically active civil society promoted						
21	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	165-021	Data are derived from implementing partners and USAID's Survey of Citizen Attitudes. Civil society implementing partners maintain monitoring and evaluation units that provide USAID with customized data on key indicators.
USAID Objective 4: More transparent and accountable government institutions encouraged						
22	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	165-023	By utilizing data from the USAID Survey of Citizen Attitudes with those from the USAID Municipal Level Survey, USAID can make systematic comparisons of institutional progress in assisted municipalities and others. The margin of error for both surveys is plus or minus 3 percent.
USAID Objective 5: Conflict						
23	Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
24	Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
25	Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total		
USAID Objective 6: Humanitarian assistance following natural or other disasters						
26	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
27	Number of beneficiaries					

**Table 2: Selected Performance Measures for Other Reporting Purposes**

The information in this table will be used to provide data for standard USAID reporting requirements

Indicator (all data should pertain to FY or CY 01)		OU Response		Fund Account	Data Quality Factors
Child Survival Report					
Global Health Objective 1: Reducing the number of unintended pregnancies					
1	Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)				
Global Health Objective 2: Reducing infant and child mortality					
2	Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total	
3	Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total	
4	Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total	
5	Were there any confirmed cases of wild-strain polio transmission in your country?				
Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth					
6	Percentage of births attended by medically-trained personnel (DHS/RHS)				
Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance					
7	a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual) b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)				
8	Proportion of districts implementing the DOTS Tuberculosis strategy				

## HIV/AIDS Report

### Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

<p>a. Total condom sales (2001 actual)</p> <p><b>9</b></p> <p>b. Total condom sales (2002 target)</p>					
<p>a. Number of individuals treated in STI programs (2001 actual)</p> <p><b>10</b></p> <p>b. Number of individuals treated in STI programs (2002 target)</p>	Male	Female	Total		
<p><b>11</b> Is your operating unit supporting an MTCT program?</p>					
<p>a. Number of individuals reached by community and home based care programs (2001 actual)</p> <p><b>12</b></p> <p>b. Number of individuals reached by community and home based care programs (2002 target)</p>	Male	Female	Total		
<p>a. Number of orphans and vulnerable children reached (2001 actual)</p> <p><b>13</b></p> <p>b. Number of orphans and vulnerable children reached (2002 target)</p>	Male	Female	Total		
<p>a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)</p> <p><b>14</b></p> <p>b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)</p>	Male	Female	Total		

Victims of Torture Report					
Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture					
15	Did you provide support to torture survivors this year, even as part of a larger effort?				
16	Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
17	Number of beneficiaries (children under age 15)	Male	Female	Total	

Global Climate Change			
USAID Objective 5: World's environment protected			
18	Global Climate Change: See GCC Appendix		

## Environmental Compliance

USAID assistance to Macedonia consists primarily of technical assistance and training and does not include capital construction, with the exception of the following activities:

- Community Self Help Initiative (CSHI);
- Environmental and Economic Development Project.

The CSHI project is currently in compliance with the IEE that was completed for this project in August 2000. The procedures established in the IEE have been followed by CSHI project staff, including the completion of IEE's for each of the sub-projects funded with grants under the CSHI project umbrella. At this time, no changes are required in the project IEE, since the activities under the project remain the same as when the IEE was completed.

The IEE for the Environmental and Economic Development Project is currently being developed in coordination with the E&E Bureau Environmental Officer.

Several other activities, such as the Demnet Program, the Local Government Support Project and Youth Employment Support Program, are on occasion making grants to Macedonian NGOs and local governments that are used for small infrastructure. In those cases IEE checklists are completed by the implementers and submitted for approval to the Mission Environmental Officer.

In FY2002 USAID/Macedonia will engage in a design of several new activities and modification/extension of the several existing ones. It does not appear that these activities will include capital construction at this time. Categorical Exclusions (CA) or (Initial Environmental Examinations) IEE's will be completed for those activities. The tentative list of those activities is:

<b>Activity name:</b>	<b>Timeframe for approval of CA or IEE</b>
Bank and Non-Bank financial Institutions	March 2002
Energy Privatization Advisor	March - April 2002
Budget Support	March - April 2002
Labor Unions	April - May 2002
Media Development	April - May 2002
Local Government Reform Project	April - May 2002
Companies Law	June 2002
NGO strengthening Follow-on activity	June - July 2002
Labor Redeployment	June - July 2002
Education	July - August 2002
Workforce Activity	June - July 2002